

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS

MICHAEL CARGILL and CTC HGC, LLC,

Plaintiffs,

v.

Case No. 1:22-cv-01063-DAE

**BUREAU OF ALCOHOL, TOBACCO,
FIREARMS AND EXPLOSIVES; ATF
DIRECTOR STEVEN DETTELBACH, in
his official capacity; ATTORNEY
GENERAL MERRICK GARLAND, in his
official capacity; UNITED STATES
DEPARTMENT OF JUSTICE; and
UNITED STATES OF AMERICA,**

Defendants.

**DEFENDANTS' FURTHER RESPONSE TO
NOTICE OF CHANGE OF MATERIAL FACTS**

Plaintiffs recently filed a Notice of Change of Material Facts, ECF No. 27, whereby Plaintiffs notified the Court that ATF had commenced a standard compliance inspection at Plaintiffs' business premises. Defendants file this further response to update the Court as to the status of that inspection.

As set forth in Defendants' previous response, industry operations investigators ("IOIs") based in ATF's Houston Field Division began conducting a routine firearms compliance inspection of Plaintiffs' business, Central Texas Gun Works. *See* ECF No. 29. That inspection commenced on Monday, June 26, 2023, and concluded on Friday, June 30, 2023. ATF held a closing conference with Plaintiffs and Plaintiffs' counsel on July 21, 2023, marking the official end of the inspection process. As set forth in the attached exhibit, IOIs detected four categories of violations: (1) failure to retain ATF Form 4473, 27 C.F.R. § 478.129(b); (2) failure to maintain an accurate/complete/timely manufacture or acquisition record, 27 C.F.R. § 478.123(a); (3) failure to obtain a completed ATF Form 4473, 27 C.F.R. § 478.124(c)(1); and (4) failure to record on an ATF Form 4473 (or affix a copy of)

National Instant Criminal Background Check System (“NICS”) alternative permit information, 27 C.F.R. § 478.131(a)(2). *See* Ex. A, Report of Violations. ATF notified Plaintiffs of these findings and advised Plaintiffs of the corrective actions required to remedy the issues. *See id.* None of the violations identified require further administrative action, such as a warning letter or warning conference, and further, they do not implicate the zero-tolerance policy, which is implicated only by findings of serious, willful violations. Accordingly, ATF does not intend to take any other administrative action or take any steps to revoke Plaintiffs’ license based on the findings of this inspection.¹

Dated: August 8, 2023

Respectfully submitted,

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BRIGHAM J. BOWEN
Assistant Branch Director

/s/ Taylor Pitz
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Counsel for Defendants

¹ Plaintiffs have applied for a second federal firearms license, and ATF Field Division officials have indicated they will be conducting an initial inspection of Plaintiffs’ business pursuant to that separate administrative process. *See* ATF, *Apply for a License*, <https://www.atf.gov/firearms/apply-license>.

CERTIFICATE OF SERVICE

I hereby certify that on August 8, 2023, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send notification of such filing to the following:

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TAYLOR PITZ
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